

**Housing Authority of the City of Minden
Minden, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2001**

**Housing Authority of the City of Minden
Table of Contents**

	<u>Statement</u>	<u>Page</u>
INDEPENDENT AUDITORS' REPORT		1-2
BASIC FINANCIAL STATEMENTS		
ALL FUND TYPES		
Combined Balance Sheet	A	3-4
ENTERPRISE FUNDS		
Combined Statement of Revenues, Expenses, and Changes in Fund Equity	B	5-6
Combined Statement of Cash Flows	C	7-8
Notes to the Basic Financial Statements		
Index		9
Notes		10-15
SUPPLEMENTAL INFORMATION		
Financial Data Schedule		16-18
Actual Comprehensive Grant Cost Certificate		19
Compensation Paid Board Members		20
OTHER REPORTS REQUIRED BY <u>GOVERNMENT AUDITING STANDARDS AND BY OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR NO. A-133</u>		
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		21
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With <u>OMB Circular No. A-133</u>		22-23
Schedule of Expenditures of Federal Awards		24
Notes to the Schedule of Expenditures of Federal Awards		25
Schedule of Findings and Questioned Costs		26
OTHER INFORMATION		
Schedule of Prior-Year Findings and Questioned Costs		27



2414 Ferrand Street
Monroe, LA 71201

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075
Monroe, LA 71211-6075

Phone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA

Sylvia R. Fallin, CPA
Sharon K. French, CPA
Regina R. Mekus, CPA

Ernest L. Allen, CPA (Retired)
1963 - 2000

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Minden
Minden, Louisiana

We have audited the accompanying basic financial statements of the Housing Authority of the City of Minden, Minden, Louisiana, as of and for the year ended June 30, 2001, as listed in the table of contents. These basic financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority, as of June 30, 2001, the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated September 13, 2001, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the result of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Housing Authority taken as a whole. The accompanying supplemental information, as listed in the table of contents and the schedule of expenditures of federal awards which is required by U. S. Office of Management and Budget Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Also, the accompanying other information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
September 13, 2001

HOUSING AUTHORITY OF THE CITY OF MINDEN

**Combined Balance Sheet - All Fund Types
June 30, 2001**

Statement A

	PROPRIETARY FUNDS - ENTERPRISE FUNDS -	FIDUCIARY FUNDS - AGENCY FUND -	TOTAL (MEMORANDUM ONLY)
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 426,888	\$ 13,128	\$ 440,016
Investments	219,394	0	219,394
Accounts receivable	2,233	0	2,233
Interest receivable	1,227	0	1,227
Interfund receivable	375	0	375
Prepaid items and other assets	37,073	0	37,073
Inventory	<u>3,605</u>	<u>0</u>	<u>3,605</u>
 Total Current Assets	 690,795	 13,128	 703,923
 Restricted Assets			
Tenant deposits	21,050	0	21,050
 Fixed Assets			
Land, buildings, and equipment (net)	<u>3,927,164</u>	<u>0</u>	<u>3,927,164</u>
 TOTAL ASSETS	 <u>\$ 4,639,009</u>	 <u>\$ 13,128</u>	 <u>\$ 4,652,137</u>

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MINDEN

**Combined Balance Sheet - All Fund Types
June 30, 2001**

Statement A

	PROPRIETARY FUNDS - ENTERPRISE FUNDS -	FIDUCIARY FUNDS - AGENCY FUND -	TOTAL (MEMORANDUM ONLY)
LIABILITIES AND FUND EQUITY			
Current Liabilities			
Accounts payable	\$ 57,852	\$ 0	\$ 57,852
Other liabilities	7,742	0	7,742
Interfund payable	375	0	375
Deferred revenue	<u>0</u>	<u>0</u>	<u>0</u>
 Total Current Liabilities	 65,969	 0	 65,969
 Current Liabilities Payable From Current Restricted Assets			
Deposits due others	21,425	13,128	34,553
 Noncurrent Liabilities			
Compensated absences payable	<u>3,091</u>	<u>0</u>	<u>3,091</u>
 Total Liabilities	<u>90,485</u>	<u>13,128</u>	<u>103,613</u>
 Fund Equity			
Contributed Capital	3,559,461	0	3,559,461
Retained earnings:			
Unreserved	<u>989,063</u>	<u>0</u>	<u>989,063</u>
 Total Fund Equity	<u>4,548,524</u>	<u>0</u>	<u>4,548,524</u>
 TOTAL LIABILITIES AND FUND EQUITY	 <u>\$ 4,639,009</u>	 <u>\$ 13,128</u>	 <u>\$ 4,652,137</u>

(CONCLUDED)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF MINDEN

**ENTERPRISE FUNDS
Combined Statement of Revenues, Expenses,
and Changes in Fund Equity
For the Year Ended June 30, 2001**

Statement B

OPERATING REVENUES

Dwelling rental	\$ 283,980
Other	<u>42,376</u>

Total revenues	<u>326,356</u>
----------------	----------------

OPERATING EXPENSES

Administration	220,624
Tenant services	8,609
Utilities	45,235
Ordinary maintenance & operations	220,826
General expenses	79,037
Housing assistance payments	421,406
Depreciation and amortization	<u>335,373</u>

Total operating expenses	<u>1,331,110</u>
--------------------------	------------------

Income (loss) from Operations	<u>(1,004,754)</u>
-------------------------------	--------------------

NONOPERATING REVENUES (EXPENSES)

Interest earnings	13,296
Federal grants	1,086,937
Gain or loss on disposition of fixed assets	<u>0</u>

Total nonoperating revenues (expenses)	<u>1,100,233</u>
--	------------------

NET INCOME (Loss)	95,479
-------------------	--------

Depreciation on fixed assets acquired by contributions	335,373
Gain or loss on disposition of fixed assets	<u>0</u>

Increase (decrease) in retained earnings	<u>\$ 430,852</u>
--	-------------------

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MINDEN

ENTERPRISE FUNDS
Combined Statement of Revenues, Expenses,
and Changes in Fund Equity
For the Year Ended June 30, 2001

Statement B

RETAINED EARNINGS AT BEGINNING OF YEAR, AS ORIGINALLY STATED	\$ 532,582
Prior period adjustment	<u>25,629</u>
RETAINED EARNINGS AT BEGINNING OF YEAR, AS RESTATED	<u>558,211</u>
RETAINED EARNINGS AT END OF YEAR	<u>989,063</u>
CONTRIBUTED CAPITAL AT BEGINNING OF YEAR	3,894,834
Depreciation transferred from retained earnings	<u>(335,373)</u>
CONTRIBUTED CAPITAL AT END OF YEAR	<u>3,559,461</u>
FUND EQUITY, END OF YEAR	<u>\$ 4,548,524</u>
	(CONCLUDED)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

HOUSING AUTHORITY OF THE CITY OF MINDEN

ENTERPRISE FUNDS
Combined Statement of Cash Flows
For the Year Ended June 30, 2001

Statement C

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income (loss)	\$ (1,004,754)
Adjustments to reconcile net income (loss) to net cash provided by operating activities	
Depreciation	335,373
Changes in operating current assets and liabilities:	
(Increase) Decrease in interfund receivables	41,562
(Increase) Decrease in accounts receivables	77,933
(Increase) Decrease in interest receivables	3,344
(Increase) Decrease in prepaid items and and other assets	(5,348)
(Increase) Decrease in inventory	1,820
Increase (Decrease) in accounts payables	(53,090)
Increase (Decrease) in other current liabilities	7,742
Increase (Decrease) in interfund payables	(41,562)
Increase (Decrease) in deferred revenue	<u>(43,413)</u>

NET CASH PROVIDED (USED) BY
OPERATING ACTIVITIES

(680,393)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Federal grants	1,086,937
Increase in compensated absences	<u>(21,206)</u>

NET CASH PROVIDED (USED) BY NONCAPITAL
FINANCING ACTIVITIES

1,065,731

CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES

Purchase fixed assets	(321,890)
-----------------------	-----------

NET CASH PROVIDED (USED) BY CAPITAL
AND RELATED FINANCING ACTIVITIES

\$ (321,890)

(CONTINUED)

HOUSING AUTHORITY OF THE CITY OF MINDEN

ENTERPRISE FUNDS
Combined Statement of Cash Flows
For the Year Ended June 30, 2001

Statement C

CASH FLOW FROM INVESTING ACTIVITIES:

(Increase) Decrease in investments	\$ 69,837
(Increase) Decrease in restricted assets	550
Interest earnings	<u>13,296</u>

NET CASH PROVIDED (USED) BY INVESTING
ACTIVITIES

83,683

NET INCREASE (DECREASE) IN CASH AND
CASH EQUIVALENTS

147,131

CASH AND CASH EQUIVALENTS AT BEGINNING
OF YEAR

279,757

CASH AND CASH EQUIVALENTS AT END
OF YEAR

\$ 426,888

(CONCLUDED)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Housing Authority of the City of Minden
Notes to the Basic Financial Statements

INDEX

	<u>Page</u>
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	10
A. REPORTING ENTITY	10
B. FUNDS	10
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	11
D. BUDGETS	11
General Budget Policies	11
Encumbrances	11
E. CASH AND CASH EQUIVALENTS	11
F. INVESTMENTS	11
G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES	12
H. INVENTORY AND PREPAID ITEMS	12
I. FIXED ASSETS	12
J. COMPENSATED ABSENCES	12
K. FUND EQUITY	12
L. USE OF ESTIMATES	12
M. MEMORANDUM ONLY - TOTAL COLUMNS	12
NOTE 2 - DEPOSITS AND INVESTMENTS	12
NOTE 3 - RECEIVABLES	13
NOTE 4 - FIXED ASSETS	13
NOTE 5 - RETIREMENT SYSTEM	13
NOTE 6 - ACCOUNTS PAYABLE	13
NOTE 7 - COMPENSATED ABSENCES	14
NOTE 8 - CHANGES IN AGENCY DEPOSITS DUE OTHERS	14
NOTE 9 - COMMITMENTS AND CONTINGENCIES	14
NOTE 10 - SEGMENT INFORMATION	14
NOTE 11 - RISK MANAGEMENT	15
NOTE 12 - INTERFUND TRANSACTIONS	15
NOTE 13 - SUBSEQUENT EVENTS	15
NOTE 14 - PRIOR-PERIOD ADJUSTMENT	15

Housing Authority of the City of Minden
Notes to the Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of the City of Minden (the Housing Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY Housing authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority of the City of Minden is governed by a five-member board of commissioners. The members, appointed by the Honorable Mayor of the City of Minden, serve a staggered term of five years.

The Housing Authority has the following units:

	<u># of Units</u>
PHA Owned Housing	247
Section 8	
Rental Vouchers	137

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a *primary government*, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, set rates or charges, and issue bonded debt.

GASB Statement No. 14 defines a related organization as an organization for which a primary government is accountable because that government appoints a voting majority of the board, but is not financially accountable. According to this definition, the Housing Authority is a related organization of the City of Minden since the City appoints a voting majority of the Housing Authority's governing board. The City is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Minden. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Minden.

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the Housing Authority are classified in two categories: proprietary and fiduciary.

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

Housing Authority of the City of Minden
Notes to the Basic Financial Statements

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the Housing Authority. The Webster literacy grant fund is an agency fund which accounts for assets held by the Housing Authority as an agent.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Fiduciary funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

D. BUDGETS

General Budget Policies The Housing Authority adopted budgets for all funds. The budgets for the Comprehensive Improvement Assistance Programs are multiple-year budgets.

HUD approves all budgets for all HUD-funded programs. The budget is controlled by fund at the function level. Budgetary amendments require approval of the governing body.

All appropriations lapse at year-end.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

Formal budget integration (within the accounting records) is employed as a management control device.

E. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. INVESTMENTS Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The Housing Authority reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Housing Authority of the City of Minden
Notes to the Basic Financial Statements

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

H. INVENTORY AND PREPAID ITEMS All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. FIXED ASSETS Fixed assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful live is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	40 years
Office equipment (other than computers)	5 years
Computers	3 years
Automobiles and trucks	7 years

J. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to 300 hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

K. FUND EQUITY Reservations represent those portions of fund equity that are not appropriable for expenses or legally segregated for a specific future use.

L. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. MEMORANDUM ONLY - TOTAL COLUMNS Total columns on the basic financial statements are captioned as "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or cash flows in accordance with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - DEPOSITS AND INVESTMENTS At June 30, 2001, the Housing Authority has cash and cash equivalents (book balances) totaling \$440,016 as follows:

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Housing Authority of the City of Minden
Notes to the Basic Financial Statements

At year-end, the Housing Authority's carrying amount of deposits was \$680,460 including restricted deposits of \$21,050, and the bank balance was \$773,385. Of the bank balance, \$200,000 was covered by federal depository insurance. \$573,385 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 - RECEIVABLES The receivables of \$2,233, net of allowance for doubtful accounts of \$7,295, at June 30, 2001, are as follows:

<u>Class of Receivables</u>	<u>Total</u>
Tenants	\$1,824
Others	409
Total	<u>\$2,233</u>

NOTE 4 - FIXED ASSETS The changes and balances in fixed assets are as follows:

	Balance July 1, 2000	Additions	Transfers	Deletions	Balance June 30, 2001
Land	\$ 95,960	\$ -	\$(36,380)	\$ -	\$ 59,580
Site improvements	348,035	-	98,278	-	446,313
Buildings	8,843,109	-	321,704	-	9,164,813
Furniture and equipment	574,276	6,263	26,955	2,409	605,085
Construction in progress	<u>122,335</u>	<u>315,627</u>	<u>(410,557)</u>	<u>-</u>	<u>27,405</u>
Total	<u>9,983,715</u>	<u>321,890</u>	<u>-</u>	<u>2,409</u>	<u>10,303,196</u>
Less accumulated depreciation:					
Site improvements	347,129	258	-	-	347,387
Buildings	5,162,188	316,666	-	2,409	5,476,445
Furniture and equipment	<u>533,751</u>	<u>18,449</u>	<u>-</u>	<u>-</u>	<u>552,200</u>
Total	<u>6,043,068</u>	<u>335,373</u>	<u>-</u>	<u>-</u>	<u>6,376,032</u>
Fixed assets, net	<u>\$3,940,647</u>	<u>\$(13,483)</u>	<u>\$ -</u>	<u>\$ 2,409</u>	<u>\$ 3,927,164</u>

NOTE 5 - RETIREMENT SYSTEM The Housing Authority provides pension benefits for all of its full-time employees through a defined contribution plan. All regular and full-time employees are eligible to participate in the plan on the first day of the month after completing six months of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to five percent of each participant's basic (excludes overtime) compensation. The Housing Authority's contribution for each employee and income allocated to the employee's account are fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority's total payroll for year ended June 30, 2001, was \$267,845. The Housing Authority's contributions were calculated using the base salary amount of \$245,612. Both the Housing Authority and the covered employees made the required contributions of \$12,281 for the year ended June 30, 2001.

NOTE 6 - ACCOUNTS PAYABLE The payables of \$57,852 at June 30, 2001, are as follows:

Housing Authority of the City of Minden
Notes to the Basic Financial Statements

Vendors	\$ 6,706
Payroll deductions	2,512
Current portion of compensated absences	24,450
Payable to HUD	17,105
Other	7,079
Total	<u>\$57,852</u>

NOTE 7 - COMPENSATED ABSENCES At June 30, 2001, employees of the Housing Authority have accumulated and vested \$27,541 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. These amounts are recorded as liabilities in the funds from which payment will be made. Following is a summary of the compensated absence transactions for the year:

Balance, July 1, 2000	\$24,297
Additions	6,488
Deductions	3,244
Balance, June 30, 2001	<u>\$27,541</u>

NOTE 8 - CHANGES IN AGENCY DEPOSITS DUE OTHERS A summary of changes in the Webster Literacy Grant agency fund follows:

Balance at beginning of year	\$ 8,588
Additions	8,246
Deductions	3,706
Balance at end of year	<u>\$13,128</u>

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Construction Projects There are certain major construction projects in progress at June 30, 2001. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Grant Disallowances The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 10 - SEGMENT INFORMATION The Housing Authority maintains five enterprise funds. Key financial information as of and for the year ended June 30, 2001, for these funds are as follows:

	Low Rent Public Housing	Public Housing Comprehensive Improvement Assistance Program	Section 8 Rental Voucher Program	Public Housing Capital Fund Program	Business Activities
Operating revenues	\$ 297,662	\$ -	\$ 6,043	\$ -	\$ 22,651
Operating expenses excluding depreciation	503,571	-	468,292	375	23,499
Depreciation	334,730	-	643	-	-
Operating income	(540,639)	-	(462,892)	(375)	(848)
Non-operating revenues (expenses)	291,704	288,722	489,712	29,780	315
Net income (loss)	(248,935)	288,722	26,820	29,405	(533)
Residual equity transfers	410,558	(410,558)	-	-	-
Fixed asset additions	294,485	-	-	27,405	-
Net working capital (liability)	423,703	-	169,715	-	31,033
Total assets	4,388,031	-	192,160	27,780	31,038
Total equity	4,323,414	-	166,672	27,405	31,033

Housing Authority of the City of Minden
Notes to the Basic Financial Statements

NOTE 11 - RISK MANAGEMENT The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance through the Louisiana Housing Council Authorities Group Self-Insurance Trust. This self-insurance program is a public entity risk pool which has been approved by both the State of Louisiana Insurance Commission and the Department of Housing and Urban Development. The Trust operates as any other commercial insurance company. Five insurance companies currently share the excess coverage insurance. No additional assessments can be made against the Housing Authority. The Housing Authority is responsible only for the premium payments.

NOTE 12 - INTERFUND TRANSACTIONS

Due from/to other funds:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Low Rent Public Housing	Section 8 rental voucher	<u>\$375</u>

NOTE 13 - SUBSEQUENT EVENTS Subsequent to June 30, 2001, there were two events which altered the Board's composition. A deceased member, Mr. Grover Lewis, was replaced by Mr. Eugene Morten. A second Board member, Mrs. Geneva Nelson, requested to retire from the Board. The mayor has not announced a replacement.

NOTE 14 - PRIOR-PERIOD ADJUSTMENT A prior-period adjustment to correct an error of \$25,629 is reflected in the financial statements. This adjustment was made to write off a payable which has been outstanding for eight years. Beginning retained earnings was increased by \$25,629. Prior-year revenue was understated by \$25,629.

HOUSING AUTHORITY OF THE CITY OF MINDEN
FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Public Housing_ Comprehensive Improvement Assistance Program	Section 8 Rental Voucher Program	Public Housing Capital Fund Program	Fiduciary	Total
111	Cash - Unrestricted	31,038	235,069		0 160,781	0	13,128	440,016
114	Cash - Tenant Security Deposits	0	21,050		0 0	0	0	21,050
100	Total Cash	31,038	256,119		0 160,781	0	13,128	461,066
121	Accounts Receivable - PHA Projects	0	0		0 0	375	0	375
125	Accounts Receivable - Miscellaneous	0	34		0 0	0	0	34
126	Accounts Receivable - Tenants - Dwelling Rents	0	9,119		0 0	0	0	9,119
126	Allowance for Doubtful Accounts - Dwelling Rents	0	(7,295)		0 0	0	0	(7,295)
126	Allowance for Doubtful Accounts - Other	0	0		0 0	0	0	0
129	Accrued Interest Receivable	0	812		0 415	0	0	1,227
	Total Receivables, net of allowances for doubtful							
120	accounts	0	2,670		0 415	375	0	3,460
131	Investments - Unrestricted	0	188,478		0 30,916	0	0	219,394
142	Prepaid Expenses and Other Assets	0	37,073		0 0	0	0	37,073
143	Inventories	0	3,605		0 0	0	0	3,605
143	Allowance for Obsolete Inventories	0	0		0 0	0	0	0
144	Interprogram Due From	0	375		0 0	0	0	375
150	Total Current Assets	31,038	488,320		0 192,112	375	13,128	724,973
161	Land	0	503,574		0 0	0	0	503,574
162	Buildings	0	9,164,813		0 0	0	0	9,164,813
163	Furniture, Equipment & Machinery - Dwellings	0	315,236		0 0	0	0	315,236
164	Furniture, Equipment & Machinery - Administration	0	273,208		0 18,960	0	0	292,168
165	Leasehold Improvements	0	0		0 0	0	0	0
166	Accumulated Depreciation	0	(6,357,120)		0 (18,912)	0	0	(6,376,032)
167	Construction In Progress	0	0		0 0	27,405	0	27,405
160	Total Fixed Assets, Net of Accumulated Depreciation	0	3,899,711		0 48	27,405	0	3,927,164
180	Total Non-Current Assets	0	3,899,711		0 48	27,405	0	3,927,164
190	Total Assets	31,038	4,388,031		0 192,160	27,780	13,128	4,652,137
312	Accounts Payable <= 90 Days	0	6,706		0 0	0	0	6,706
321	Accrued Wage/Payroll Taxes Payable	0	2,317		0 195	0	0	2,512
322	Accrued Compensated Absences	0	24,450		0 0	0	0	24,450
331	Accounts Payable - HUD PHA Programs	0	0		0 17,100	0	0	17,100
332	Accounts Payable - PHA Projects	5	0		0 0	0	0	5
341	Tenant Security Deposits	0	21,425		0 0	0	0	21,425

HOUSING AUTHORITY OF THE CITY OF MINDEN
FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Public Housing Comprehensive Improvement Assistance Program	Section 8 Rental Voucher Program	Public Housing Capital Fund Program	Fiduciary	Total	
345	Other Current Liabilities	0	1,977		0	5,102	0	13,128	20,207
346	Accrued Liabilities - Other	0	7,742		0	0	0	0	7,742
347	Interprogram Due To	0	0		0	0	375	0	375
310	Total Current Liabilities	5	64,617		0	22,397	375	13,128	100,522
353	Noncurrent Liabilities - Other	0	0		0	3,091	0	0	3,091
350	Total Noncurrent Liabilities	0	0		0	3,091	0	0	3,091
300	Total Liabilities	5	64,617		0	25,488	375	13,128	103,613
504	Net HUD PHA Contributions	0	3,559,413		0	48	0	0	3,559,461
508	Total Contributed Capital	0	3,559,413		0	48	0	0	3,559,461
511	Total Reserved Fund Balance	0	0		0	0	0	0	0
512	Undesignated Fund Balance/Retained Earnings	31,033	764,001		0	166,624	27,405	0	989,063
513	Total Equity	31,033	4,323,414		0	166,672	27,405	0	4,548,524
600	Total Liabilities and Equity	31,038	4,388,031		0	192,160	27,780	13,128	4,652,137
703	Net Tenant Rental Revenue	0	283,980		0	0	0	0	283,980
705	Total Tenant Revenue	0	283,980		0	0	0	0	283,980
706	HUD PHA Grants	0	281,848	288,722	486,587	29,780	0	0	1,086,937
711	Investment Income - Unrestricted	315	9,856	0	3,125	0	0	0	13,296
715	Other Revenue	22,651	13,682	0	6,043	0	0	0	42,376
700	Total Revenue	22,966	589,366	288,722	495,755	29,780	0	0	1,426,589
911	Administrative Salaries	0	79,744		0	27,477	0	0	107,221
912	Auditing Fees	0	11,630		0	3,843	0	0	15,473
914	Compensated Absences	0	2,795		0	449	0	0	3,244
915	Employee Benefit Contributions - Administrative	0	23,769		0	6,977	0	0	30,746
916	Other Operating - Administrative	23,499	33,437		0	6,629	375	0	63,940
921	Tenant Services - Salaries	0	4,519		0	0	0	0	4,519
923	Employee Benefit Contributions - Tenant Services	0	1,042		0	0	0	0	1,042
924	Tenant Services - Other	0	3,048		0	0	0	0	3,048
931	Water	0	33,610		0	0	0	0	33,610
932	Electricity	0	8,730		0	0	0	0	8,730
933	Gas	0	2,895		0	0	0	0	2,895
941	Ordinary Maintenance and Operations - Labor	0	132,474		0	0	0	0	132,474

**HOUSING AUTHORITY OF THE CITY OF MINDEN
FINANCIAL DATA SCHEDULE
AS OF AND FOR THE YEAR ENDED JUNE 30, 2001**

Line Item No.	Account Description	Business Activities	Low Rent Public Housing	Public Housing_ Comprehensive Improvement Assistance Program	Section 8 Rental Voucher Program	Public Housing Capital Fund Program	Fiduciary	Total
	Ordinary Maintenance and Operations - Materials and							
942	Other	0	33,021	0	0	0	0	33,021
943	Ordinary Maintenance and Operations - Contract Costs	0	11,862	0	0	0	0	11,862
945	Employee Benefit Contributions - Ordinary Maintenance	0	39,481	0	0	0	0	39,481
961	Insurance Premiums	0	55,350	0	1,511	0	0	56,861
963	Payments in Lieu of Taxes	0	7,742	0	0	0	0	7,742
964	Bad Debt - Tenant Rents	0	13,700	0	0	0	0	13,700
968	Severance Expense	0	734	0	0	0	0	734
969	Total Operating Expenses	23,499	499,583	0	46,886	375	0	570,343
970	Excess Operating Revenue over Operating Expenses	(533)	89,783	288,722	448,869	29,405	0	856,246
971	Extraordinary Maintenance	0	3,988	0	0	0	0	3,988
973	Housing Assistance Payments	0	0	0	421,406	0	0	421,406
974	Depreciation Expense	0	334,730	0	643	0	0	335,373
900	Total Expenses	23,499	838,301	0	468,935	375	0	1,331,110
1001	Operating Transfers In	0	2,000	0	0	0	0	2,000
1002	Operating Transfers Out	0	0	0	0	(2,000)	0	(2,000)
1010	Total Other Financing Sources (Uses)	0	2,000	0	0	(2,000)	0	0
	Excess (Deficiency) of Operating Revenue Over (Under)							
1000	Expenses	(533)	(246,935)	288,722	26,820	27,405	0	95,479
1101	Capital Outlays Enterprise Fund	0	0	0	0	0	0	0
1102	Debt Principal Payments - Enterprise Funds	0	0	0	0	0	0	0
1103	Beginning Equity	31,566	4,134,115	121,835	139,899	0	0	4,427,415
	Prior Period Adjustments, Equity Transfers and							
1104	Correction of Errors	0	436,234	(410,557)	(47)	0	0	25,630
1112	Depreciation Add Back	0	334,730	0	643	0	0	335,373
1113	Maximum Annual Contributions Commitment (Per ACC)	0	0	0	480,849	0	0	480,849
	Prorata Maximum Annual Contributions Applicable to a							
1114	Period of less than Twelve Months	0	0	0	0	0	0	0
1115	Contingency Reserve, ACC Program Reserve	0	0	0	188,174	0	0	188,174
1116	Total Annual Contributions Available	0	0	0	669,023	0	0	669,023
1120	Unit Months Available	0	2,964	0	1,644	0	0	4,608
1121	Number of Unit Months Leased	0	2,858	0	1,571	0	0	4,429

HOUSING AUTHORITY OF THE CITY OF MINDEN

**ACTUAL COMPREHENSIVE GRANT
COST CERTIFICATE
June 30, 2001**

Exhibit 1

1. The actual Comprehensive Grant costs is as follows:

	PROJECT
	<u>LA-48P037 907 99</u>
Funds Approved	\$ 471,516
Funds Expended	<u>471,516</u>
Excess of Funds Approved	<u>0</u>
 Funds Advanced	 471,516
Funds Expended	<u>471,516</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. The distribution of costs by project as shown on the final schedule of Comprehensive Grant expenditures dated March 5, 2001 accompanying the actual Comprehensive Grant cost certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All Comprehensive Grant costs have been paid and all related liabilities have been discharged through payment.

**Housing Authority of the City of Minden
General**

COMPENSATION PAID BOARD MEMBERS

The members of the Board of Commissioners serve without compensation. The members of the Board of Commissioners are as follows:

Larry Johnson, Chairman

Grover Lewis, Vice Chairman

Dr. Gary Daniel

Geneva Nelson

Angela Wills



ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA

Sylvia R. Fallin, CPA
Sharon K. French, CPA
Regina R. Mekus, CPA

Ernest L. Allen, CPA (Retired)
1963 - 2000

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board of Commissioners
Housing Authority of the City of Minden
Minden, Louisiana

We have audited the financial statements of the Housing Authority of the City of Minden, Minden, Louisiana, as of and for the year ended June 30, 2001, and have issued our report thereon dated September 13, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board, management, and the federal awarding agency, and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
September 13, 2001



ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA

Sylvia R. Fallin, CPA
Sharon K. French, CPA
Regina R. Mekus, CPA

Ernest L. Allen, CPA (Retired)
1963 - 2000

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular No. A-133

Board of Commissioners
Housing Authority of the City of Minden
Minden, Louisiana

Compliance

We have audited the compliance of the Housing Authority of the City of Minden, Minden, Louisiana, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB Circular No. A-133) Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2001. The Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular No. A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular No. A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board, management, and the federal awarding agency, and is not intended to be and should not be used by anyone other than these specified parties.

allen, green + Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana

September 13, 2001

**Housing Authority of the City of Minden
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
United States Department of Housing and Urban Development			
Direct Programs			
Public and Indian Housing			
Operating Subsidy	14.850	FW2026	\$ 281,848
Public and Indian Housing Comprehensive Improvement			
Assistance Program	14.852	FW2026	288,722
Section 8 Rental Vouchers Program	14.855	FW2026	486,587
Public Housing Capital Fund Program	14.872	FW2026	<u>29,780</u>
Total			<u>\$1,086,937</u>

Housing Authority of the City of Minden
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2001

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority. The Housing Authority reporting entity is defined in Note 1 to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

Nonoperating revenues
Federal grants

\$1,086,937

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - FEDERAL AWARDS For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures. In accordance with HUD Notice PIH 98-14, "federal awards" do not include the Housing Authority operating income from rents or investments (or other non-federal sources). In addition, the entire amount of operating subsidy received during the fiscal year is considered to be "expended" during the fiscal year.

**Housing Authority of the City of Minden
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2001**

PART I - Summary of the Auditors' Results

Financial statement audit

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of federal awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA #14.852 Public and Indian Housing Comprehensive Improvement Assistance Program
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

**Housing Authority of the City of Minden
Schedule of Prior-Year Findings and Questioned Costs
June 30, 2001**

There were no audit findings reported for the year ended June 30, 2000.